



May 13, 2025
Minnesota Senate Taxes Committee
95 University Ave. W.
Saint Paul, MN 55155

Chair Rest and Members of the Committee,

Thank you for your service in the Minnesota legislature. We would have submitted the following letter for record in committee today regarding the mobile sports gambling provision in S.F. 2374. As written testimony is not being taken in this hearing, please see this letter expressing our concerns regarding the gambling study.

Minnesota Family Council represents tens of thousands of families across the state, and we ask you to **remove the gambling study** from the Senate Tax omnibus, found on lines 214.10-215.12 of S.F. 2374. When a formal study is commissioned, more details are generally provided, such as **methodology** and the purpose of the study. As the broad language in the bill cites the purpose as “regarding legalization of sports betting, fantasy sports, or both,” one draws the conclusion that legalization is the purpose of the study.

One of Minnesota Family Council’s primary concerns on this issue has been consumer protection *after legalization*. Below are just two results of recent academic studies which we have cited in our testimony:

- UCLA and USC research has measured that online sports gambling increases the likelihood of household bankruptcy by as much as 25 to 30 percent after 3-4 years of legalization.¹
- Longitudinal research from Southern Methodist University found that less than 5% of sports gamblers are observed to be net winners.² The data of this study focused on states which have legalized mobile sports betting. The House wins.

The industry’s business model is to keep consumers occupied in placing wager after wager. We recommend that any formal study focus on the impact to consumers *when the industry has been legalized* in a state.

As this committee’s jurisdiction focuses on revenue, we will leave you with research from Massachusetts on legalization. A series of surveys by the University of Massachusetts School of Public Health presented to the Massachusetts Gaming Commission in August 2024 found that the data suggest that there has not been, or had not been in 2023, a substantial recapture of illegal sports betting revenues in Massachusetts between 2022 and 2023.³ The data was still being worked out; the researcher noted it can take a long time to recapture revenue.

We recommend that the committee remove this provision, as methodology of such a study is of primary importance.

Sincerely,
Rebecca Delahunt, Director of Public Policy, Minnesota Family Council

¹Hollenbeck, B., Proserpio, D., & Larson, P. (2024). The Financial Consequences of Legalized Sports Gambling. *Social Science Research Network*.

²Taylor, W., McCarthy, D., & Wilbur, K. C. (2024). The Effects of Sports Betting Legalization on Irresponsible Gambling. *Social Science Research Network*.

³Massachusetts Gaming Commission . (2024a, August 29). *MGC Open Meeting – August 29, 2024*. YouTube. <https://www.youtube.com/watch?v=NdGiwEkD3Zw&t=2336s>